

Arkansas Department of Education Procedures for the Open-Enrollment Public Charter School Facilities Funding Aid Program

In accordance with Ark. Code Ann. § 6-23-901 *et seq.* as amended by Act 739 of 2015, the Arkansas Department of Education Procedures for the Open-Enrollment Public Charter School Facilities Funding Aid Program are as follows:

Effective Date and Availability of Funds:

These procedures are effective August 15, 2015.

The program is subject to the availability of appropriation and funding. For those years with no appropriation or funding available, no action will be taken and no eligible lists of open-enrollment public charter schools will be published by the Arkansas Department of Education (ADE).

Eligibility:

Eligibility requirements will be determined annually as of July 1 for the current fiscal year. In order to receive funding under this program, an open-enrollment public charter school shall meet, and maintain, all of the following criteria:

- The open-enrollment public charter school must successfully complete the charter school application review and approval process prior to the beginning of the fiscal year for which funding will be disbursed;
- Must provide documentation to the ADE Charter School Office indicating that virtual technology is not the primary method of delivering instruction; and
- Must provide documentation that all the facilities to be used by the open-enrollment public charter school for the fiscal year meet all applicable health, fire, and safety codes and all accessibility requirements under the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*, and the Individuals with Disabilities Education Act, 20 U.S.C. § 1400 *et seq.*, as reviewed by the Division of Public School Academic Facilities and Transportation (Division) or another appropriate state agency.

The open-enrollment public charter school must not be:

- Classified as being in academic distress under Ark. Code Ann. § 6-15-428 and the corresponding rules;
- Classified as being in fiscal distress under Ark. Code Ann. § 6-20-1901 *et seq.* and the corresponding rules;
- Classified as a priority school under the Arkansas Comprehensive Testing, Assessment, and Accountability Program, Ark. Code Ann. § 6-15- 401 *et seq.*, nor have received a rating of “F” under Ark. Code Ann. § 6-15-2105; or
- Placed in a probationary status by the State charter school authorizer under Ark. Code Ann. § 6-23-105.

At any time during the fiscal year, if an eligible open-enrollment public charter school is identified as being in academic or fiscal distress, classified as a priority school, or placed in a probationary status, any facilities funding under these procedures will discontinue pending final classification by the State Board. If the State Board approves classification of academic or fiscal

distress, classification as a priority school, or placement in probationary status, all pending and future installments will cease. Payments previously disbursed will not be recouped except as required in the Use of Funds section of these procedures.

Funding Calculation:

- For the first year of operation and for the first year the open-enrollment public charter school adds a new grade, the facilities funding will be based on the current year three-quarter average daily membership (ADM) as established by Cycle 7.
- For the second year and each school year thereafter (if no new grade is added), the facilities funding will be based on the previous year three-quarter ADM as established by Cycle 7.
- To calculate the fiscal year open-enrollment public charter school facilities funding aid, the calculated per student rate is multiplied by the appropriate (current year or prior year) three-quarter ADM.

Funding Disbursement:

- After eligibility has been determined and an initial estimated per student rate has been calculated, funding will be disbursed in monthly installments. Funding will not begin before August of the current fiscal year. The final disbursement will take place after the fiscal year has ended and Cycle 7 ADM has been received.
- For eligible open-enrollment public charter schools in the initial year of operation or those that have added a grade level and do not have an established current year three-quarter ADM from Cycle 7, the following estimates are used in the order listed:
 - a. Current year July 1 enrollment provided on enrollment report submitted to ADE Charter School Office;
 - b. Current year quarter 1 ADM from Cycle 3;
 - c. Current year three-quarter ADM from Cycle 6.
- Correspondingly, the calculation of the per student rate will be estimated using the data in the order listed:
 - a. (funded appropriation) divided by (prior year three quarter ADM plus current year July 1 enrollment for eligible charters);
 - b. (funded appropriation) divided by (prior year three quarter ADM plus current year quarter one ADM for eligible charters);
 - c. (funded appropriation) divided by (prior year three quarter ADM plus current year three-quarter ADM from Cycle 6 for eligible charters).
- If funds are returned or recouped by the ADE pursuant to the “Use of Funds” section, the rate will be recalculated in the final payment to allow for disbursement of the returned funds to the remaining eligible open-enrollment public charter schools. The final per student rate will be calculated using (funded appropriation) divided by (prior year three quarter ADM plus current year three-quarter ADM from Cycle 7 for eligible schools). Any funding disbursed to an open-enrollment public charter school that subsequently becomes ineligible will be deducted from the available funded appropriation prior to calculating final rate per student and disbursing final installment.
- If the final payment is not sufficient to absorb negative adjustments, the open-enrollment public charter school will be required to return the remaining overpayment to the ADE.

- To calculate the estimated funding amount, the estimated funding rate is multiplied by the appropriate ADM.

Use of Funds:

- The funds received by an open-enrollment public charter school under this section shall be used only for the lease, purchase, renovation, repair, construction, installation, restoration, alteration, modification, or operation and maintenance of an approved facility that meets the requirements in the Eligibility section of these procedures.
- If an open-enrollment public charter school fails to use funds received under this section for the eligible purposes listed or no longer needs the funds, the charter school shall return the unused funds to the ADE and the Division shall certify the recoupment of funds from:
 - State funding distributed under Ark. Code Ann. § 6-20-2305, including without limitation state foundation funding and state categorical funding;
 - Federal funding to the extent allowed under federal law; and
 - The net assets of an open-enrollment public charter school deemed property of the State upon revocation or nonrenewal of the charter after all legal debts owed to third parties are satisfied.
- The State shall hold a preferred security interest in these funds.
- This funding does not entitle or subject an open-enrollment public charter school to the Arkansas Public School Academic Facilities Funding Act, Ark. Code Ann. § 6-20-2501 *et seq.*, or the Arkansas Public School Academic Facilities Program Act, Ark. Code Ann. § 6-21-801 *et seq.*